

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
NOTICE OF WORKSHOP – “THE MISSOULA PLAN”
NDI-2007-1-C

The Federal Communications Commission (“FCC”) is considering a plan developed by an industry group working under the auspices of the National Association of Regulatory Utility Commissioners’ (“NARUC”) Intercarrier Compensation Task Force (“ICTF”). This plan is known as the Missoula Plan (“the Plan”) because the industry group first met in Missoula, Montana, and it proposes major changes to the way telecommunications companies compensate one another for starting and completing long distance calls that they exchange.

The Plan was developed and endorsed by one group of stakeholder members of the ICTF. The proponents of the Plan conceived it as a method for replacing the current mechanisms, which they regard as complex and out of date. However, support for the Plan is not universal, and some stakeholders object to the Plan and have different recommendations for revising intercarrier compensation mechanisms.

The major features of this Plan are:

1. Removal of the distinction between compensation for completing interstate and intrastate long distance calls,
2. For most carriers, the Plan would establish one intercarrier rate schedule for all calls, whether local, long distance, interstate or intrastate. Where such a schedule is not possible or practical, the Plan would bring the rates closer together, and
3. The Plan allows for telecommunications carriers to make up lost revenues through a combination of increased subscriber line charges and a new Restructure Mechanism, which would function much like the current federal Universal Service Fund.

The Plan is important because, if implemented:

1. It may have an impact on affordable universal service in rural areas;
2. It would affect the rates that local users will pay for local telephone service;
3. It would affect interconnection agreements between companies;
4. It may affect the growth of competition and retail rates;
5. It may have considerable financial effects in early adopter states with state Universal Service Funds (including South Carolina); and
6. Major changes to the intercarrier compensation regime will affect the current and future status of the existing federal Universal Service Fund.

PLEASE TAKE NOTICE THAT THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA WILL CONDUCT A WORKSHOP ON THURSDAY, MAY 31, 2007, AT 10:30 A.M. IN THE COMMISSION'S HEARING ROOM, SYNERGY BUSINESS PARK, 101 EXECUTIVE CENTER DRIVE, COLUMBIA, SOUTH CAROLINA. The purpose of the workshop is for interested persons to provide information regarding the Missoula Plan's potential impact on local exchange carriers, consumers, the South Carolina State Universal Service Fund, and the South Carolina Interim Local Exchange Carrier Fund. Local exchange carriers, both incumbent and competitive, wireless carriers and other interested parties are invited to participate in this workshop.

Persons who intend to participate in the workshop should notify the Public Service Commission in writing at the address below on or before Tuesday, May 1, 2007. Please refer to matter NDI-2007-1-C.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211

2/28/07